Plan Funds for Command are Development Programme

1269. SHRI KRISHNA KUMAR BIRLA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government propose to give plan funds, for command area development programmes directly to the farmers by-passing the State Governments;

(b) if so, whether the State Government have opposed this step to the Central Government;

(c) whether the Central Government is going to identify the actual farmers and proper utilisation of funds; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRI P.V. RANGAYYA NAIDU): (a) No, Sir.

(b) to (d) In view of (a) question does not arise.

Habitat Polytech Organisation

1270. SHRI SURESH PACHOURI: Will the Minister of URBAN AFFAIRS & EMPLOYMENT be pleased to state:

(a) whether it is a fact that an organisation named Habitat Polytech based in Sarai Kale Khan, Nizamuddin East, New Delhi, issued an advertisement in October 1994 promising financial assistance from the Ministry of Urban Affairs and Employment to NGOs engaged in promoting innovative approaches to Urban Community Development;

(b) whether this organisation has the authority to collect applications on behalf of the Ministry;

(c) the amount of grant given by the Ministry to the NGOs through this organisation and the details of the beneficiaries; and

(d) the criteria fixed for selection of NGOs for the grant?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN AFFAIRS & EMPLOYMENT (SHRI P. K. THUNGON): (a) Yes, Sir.

(b) Yes , Sir.

(c) As per attached statement (*see* below)

(d) NGOs with adequate understanding of community problems and possessing adequate skills in community organisation were considered for Assistance.

Statement

S. No.	Name of the NGO	Amount sanctioned (in Rs.)
1.	Rajiv Neelu Kachwaha Public Charitable Trust	143050
2.	Indcare Charitable Trust	250000
3.	Dr. A. V. Baliga Memorial Trust	250000
4.	Harsh	175000
5.	Love and Care	200000
6.	Sharan	175000
7.	Ashray	300000
8.	The Organisation for Applied Socio-Economic System	170000
9.	Deepalaya	300000
10.	Prachi Educational Society	300000
	Total:	2263050

Handing Over Mines to Private Organisation in Madhya Pradesh

1271. SHRI S. MUTHU MANI: Will the Minister of STEEL be pleased to state:

(a) whether Government have decided to hand over the Bailadila Mines to a private organisation in Madhya Pradesh;

(b) if so, whether the compensation calculated is much lower than the calculation made out by the Finance Ministry;

(c) whether it is a fact that the local adivasi population of the area surrounding the mines, made protest against the handing over of the mine to a private organisation; and

(d) whether it is also a fact that the Labour Ministry has objected to such a proposal?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Government has permitted National Mineral Development Corporation Limited (NMDC) to develop 11-B deposit of Bailadila in joint venture with a private company.

(b) to (d) Steel consumption is one of the major indices of industrial and economic growth of a country. The total demand for steel in India, including estimated exports, is projected to grow to 37 million tonnes by 2001-02, by which time production from the existing integrated steel plants and units in secondary sector is expected to reach about 24 million tonnes. The projected gap of 13 million tonnes will have to be met only by private sector investment as establisment of new greenfield plants in public sector is not contemplated. The private sector will, therefore, have to be encouraged if the projected gap between demand and availability is to be met.

Indigenous availability of Metal scrap is low and large quantities have to be imported in order to meet indigenous demand. Sponge iron contains a large percentage of metallic iron and is a very good substitute for steel melting scrap. Production of sponge iron is, therefore, being encouraged by the Government in order to conserve foreign exchange. There are 18 sponge iron units in the country at present with total capacity of 5.4 million tonnes. These units produced 3.4 million tonnes in 1994-95 and the production is expected to cross the 4 million tonnes mark this year, with exports expected to touch the one million mark. More sponge iron units with a capacity of 7.39 lakh tonnes per annum are in different stages of execution presantly.

There are only 3 gas-based plants in India, namely Essar Gujarat Ltd., Vikram Ispat Ltd. and Nippon enro Ispat Ltd. and they require calibrated iron ore with Fe content of 65% and above.

Though NMDC had been considering development of Deposit 11-B as a joint venture project since 1991, the proposal could not fructify as the three major iron ore consuming companies, identified as potential joint venture partners, were agreeable to join in the joint venture only if they were the sole co-promoters with NMDC and the management rights vested in them.

The Steel Ministry examined the issues involved in May, 1994 and advised NMDC that the project may be developed as a joint venture with participation of one of the private companies operating or setting up a gas-based sponge iron plant in the country, who have already an assurance from NMDC to meet a substantial part of the plant's requirement for iron ore. The Government also suggested specific criteria to NMDC for selection of a joint venture partner.

The Board of Directors of NMDC constituted a sub-committee to select a joint venture partner on the basis of the criteria suggested by Ministry of Steel. The recommendations of the sub-committee, accepted by NMDC Board, are as follows:—

(i) To enter into joint venture with one of the following partners in the given order of preference:

(i) M/s. Nippon Denro Ispat Limited.

(ii) M/s. Essar Gujarat Limited.

(ii) To transfer a part of the lease of deposit 11-B held by NMDC (i.e. the area comprised in deposit 11-B) to the joint venture company after following the prescribed procedures.

(iii) To seek decision of Government regarding the consideration to be charged for transfer of the mining lease.

The Steel Ministry made an in-depth analysis of the recommendations received from NMDC and submitted a note to the Cabinet for consideration. As regards consideration to be charged for transfer of mining lease, it was felt that it would not be appropriate to treat it as a normal commercial transaction and realize the maximum consideration because this would render the final product costly and uncompetitive. Moreover, the transfer was proposed to a joint venture company in which NMDC itself is a partner. At the same time, the Steel Ministry felt that NMDC should not be put to any pecuniary loss and should be compensated for the actual expenditure that it had incurred on exploration, feasibility and other preliminary works. The Steel Ministry, hence, proposed that the actual expenditure incurred as above, updated to curent costs through an appropriate method to be determined by a recognised professional organisation such as the institute of Cost & Works Accountants of India (ICWAI), should be recovered from the joint venture partner.

The Cabinet, in their meeting on 30.5.95, accorded approval to development of Bailadila 11-B desposit as a joint venture. Based on this, approval was accorded to NMDC on 13.6.95 to form the joint venture company and take other consequential actions. The interests of the local people including the adivasi population and trade unions have been safeguarded by advising NMDC to stipulate in the joint venture agreement that the joint venture company will recruit all skilled, semi-skilled and unskilled workers through the Local Employment Exchange except to the extent that such workers are not available with the Local Employment Exchange. The joint venture agreement has since been signed on 10.7.95.

Detection of Drug Abuse Cases in India

1272. SHRI KRISHAN LAL SHARMA: Will the Minister of WELFARE be pleased to state:

(a) whether it is a fact that India, which was regarded as a transit country, has now become a major consumer of lethal substances;

(b) if so, the total number of cases of drug abuse, detected during 1993, 1994 and 1995 as on date;

(c) whether it is also a fact that maximum number of consumers of such lethal substances are localised in slum areas, and among transport workers; and

(d) whether any specific plan has been drawn during 1995 to check such a menace?

THE MINISTER OF WELFARE SHRI SITARAM KESRI: (a) Yes Sir.

(b) According to the Reports received from De-addiction and Counselling Centres being run by NGOs with financial assistance from this Ministry the number of drug addicts registered at these centres during the last three years is as under:

Year	No. of Abusers registered
1993-94	2,90,628
1994-95	3,12,118
1995-96	The Quarterly Report upto June, 95 is under compilation.

(c) No countrywide survey has been conducted so far. However, in order to have a composite picture of the nature and magnitude of the problem of drug abuse, Ministry of Welfare sponsored 23